

NSK AMERICAS, INC. TERMS AND CONDITIONS OF PURCHASE

These Terms apply when referenced by Buyer's purchase order or other documentation.

1) **The Contract.** Each purchase order or revision issued by Buyer (the "Purchase Order") is an offer to the seller identified on the Purchase Order (the "Seller") (herein the "Parties") for the purchase of products and/or services (collectively, the "Products") and includes and is governed by the terms contained on the face of the Purchase Order and these Terms and Conditions of Purchase (collectively, the "Terms"). All documents or portions thereof expressly referred to in the Purchase Order or Terms are incorporated herein by reference. Seller accepts the Purchase Order, including these Terms, by doing any of the following: (a) commencing performance under the Purchase Order; (b) accepting the Purchase Order in writing; or (c) other expression of acceptance acceptable to Buyer. The Purchase Order is limited to and conditional upon Seller's acceptance of the Terms exclusively. Any proposal for or submission of additional or different terms or conditions by Seller shall be deemed a material alteration of these Terms and is hereby objected to and rejected by Buyer. The Purchase Order does not constitute an acceptance of any offer or proposal made by Seller. Each Purchase Order can be modified only under Section 28 herein. The Purchase Order contains the entire agreement between Buyer and Seller and except as otherwise expressly stated in the Purchase Order, supersedes prior agreements, Purchase Orders, quotations, proposals and other communications relating to the subject matter hereof. If there is a conflict between the face of the Purchase Order and these Terms and Conditions of Purchase, the face of the Purchase Order shall govern. Buyer may cancel all or any part of the Purchase Order at any time prior to Buyer's actual knowledge of acceptance by Seller. Notwithstanding the foregoing, if Buyer has executed an award letter or other agreement relating to the Products (<http://www.nskamericas.com/downloads/SQM.pdf>) Supplier Quality Assurance Manual ("SQAM") to which the Terms and Conditions of Purchase are attached or incorporated by reference, the SQAM shall be deemed part of the Purchase Order and shall apply as provided in the SQAM.

OEM Customer Requirements. Where the Products under the Purchase Order are or will be sold or incorporated into goods or services that are or will be sold by Buyer to an original equipment manufacturer of vehicles, whether directly or indirectly through an upper tier supplier (such manufacturer or upper tier supplier, the "OEM Customer"), Seller shall comply with such requirements as Buyer deems necessary or desirable to enable Buyer to meet Buyer's obligations under the terms and conditions of any Purchase Order or other document (the "OEM Terms") that may be applicable to Buyer in respect of its direct or indirect supply of such goods or services to the OEM Customer. If there is any conflict between the provisions of the OEM Terms and any provisions in the Purchase Order, Buyer shall have the right to have the provisions of the OEM Terms prevail to the extent necessary or desirable to resolve such conflict.

2) **Time Period and Obligation to Supply.** This clause obligates the Seller to supply NSK's needs of service and replacement parts both during the duration of the Program and for a 15 year period or otherwise specified on the face of the Purchase Order. If an Award Letter, Purchase Order or other written agreement signed between the Parties is currently in effect, those terms shall apply, and specifically, the time period and obligation to supply shall apply, otherwise this section shall apply.

Service parts are not always identical to the full Product. They may comprise individual components of a Product. This clause ensures we are able to obtain individual components. This requirement is consistent with current industry practice and matches up with the requirements of our customers.

3) **Pricing.** During the first 5 years after regular production ends, the pricing for service and replacement parts remains fixed at the Agreement pricing. Pricing for any additional production required after 5 years will be renegotiated by the Parties in good faith.

4) **Time Period of Purchase Order.** If an expiration date or other term is stated in the Purchase Order, this term will govern. The Purchase Order is binding on the Parties for the length of the production life of the applicable original equipment manufacturer ("OEM") vehicle program for which the Products are intended to be used, and both Buyer and Seller acknowledge the risk of the vehicle program production life being cancelled or extended. In all cases, the foregoing are subject to Buyer's termination rights.

5) **Price Terms.**

a) **Price.** The price of the Product(s) stated on the Purchase Order is complete and no surcharges, premiums or other additional charges of any kind shall be added without Buyer's prior written consent. Taxes are included in the price but at Buyer's request shall be stated separately on the invoices. Prices are not subject to increase, unless specifically stated in the Purchase Order, and Seller assumes the risk of any event or cause affecting prices including foreign exchange rates, increases in raw material costs, inflation, increases in labor, freight, overhead and other production and supply costs and any other event which impacts the price or availability of materials or Products. No invoices shall be issued nor payment made prior to delivery. No invoice or related documents may reference any term separate from or different than the Purchase Order. Buyer reserves the right to return all invoices or related documents submitted incorrectly.

b) **Transportation Charges.** Any transportation charges for which Seller is entitled to reimbursement shall be noted separately on the invoice with the receipted freight bill attached. Unless otherwise expressly stated on the Purchase Order, all Products shall be delivered by Seller "DDP-Buyer's plan" (as defined in Incoterms 2010).

c) **Reduction in Rates, Duties or Taxes.** The difference in cost resulting from any reduction in applicable freight rates, customs duties, import taxes, excise taxes, and/or sales taxes from those in force on the date of the Purchase Order, whether separately stated on the face of the Purchase Order or not, shall be paid or credited to Buyer.

6) **Delivery.**

a) **Transportation.** Products shall be properly packed, marked and loaded as required by Buyer, the transporting carrier and applicable jurisdiction. Products shall be routed and shipped in accordance with Buyer's specifications as provided in the Purchase Order and/or any written directions as may be provided by Buyer to Seller. Seller shall reimburse Buyer for all expenses or losses incurred due to improper packing, marking, loading, routing or shipping.

b) **Risk of Loss.** Unless otherwise specifically provided by the Purchase Order, the Products shall be delivered on an F.O.B. destination basis to Buyer. Delivery shall not be complete until Products are actually delivered to and accepted by Buyer, notwithstanding any agreement to pay freight, express, parcel post or other transportation charges. Seller retains risk of loss in transit, except that, if shipment is by Buyer's vehicle, risk of loss passes to Buyer upon completion of loading.

c) **Quantity; Shipping Schedules.** Seller shall not produce any Products, procure any materials required in their production, or ship any Products to Buyer except as authorized in writing by Buyer or as necessary to meet specific delivery dates provided in the Purchase Order. Buyer shall have no responsibility for Products for which such writing and delivery dates have not been provided. Seller shall make up any shortage of Products immediately upon receipt of Buyer's written notice, and all additional costs thus incurred (e.g., insurance, freight, duties and other expenses of the additional shipment of Products) shall be borne by Seller. Buyer may from time to time change shipping schedules specified in the Purchase Order or contained in other written instructions or direct temporary suspension of such scheduled shipments, in each case, without cost to Buyer. Any estimates or forecasts of volumes or duration are subject to change from time to time with or without notice to Seller and shall not be binding on Buyer. Unless expressly stated on the face of the Purchase Order, Buyer is not required to purchase Products exclusively from Seller.

(d) **Delays.** TIMELY DELIVERY OF PRODUCTS IS OF THE ESSENCE. Seller shall deliver the Products according to the schedule(s) provided in the Purchase Order or other written instruction from Buyer. Seller shall notify Buyer 30 days before shipment regarding delivery status. In the event of any delay or threat of delay in the production or delivery of the Products, Seller shall immediately notify Buyer and provide all relevant information regarding such delay or threatened delay. Seller is liable for all costs and damages resulting from delayed delivery of Products and/or from failure to deliver Products free from defect (including, without limitation, direct or indirect costs or losses, consequential damages and opportunity costs related to production line shut downs, missed customer shipments and visits to customers to deal with suspect Products).

7) **Customs, Certificates and Related Matters.** Credits or benefits resulting from the Purchase Order, including trade credits, export credits or the refund of duties, taxes, or fees, belong to Buyer. Seller will provide all information and certificates necessary to permit Buyer to receive these benefits or credits. Seller further agrees to fulfill any customs- or FTA-related obligations, origin marking or labeling requirements, and local content origin requirements. Export licenses or authorizations necessary for the export of Products are Seller's responsibility unless otherwise stated in the Purchase Order, in which case Seller will provide the information necessary to enable Buyer to obtain the licenses or authorizations. Upon request, Seller shall certify in writing its compliance with the C-TPAT initiative and shall provide any supporting documentation requested by Buyer and/or the Bureau of Customs and Border Protection. Seller shall notify Buyer in writing of any Products subject to U.S. export laws and regulations.

8) **Inspection and Acceptance; Returns.**

a) **Inspection.** Products may be inspected or tested by Buyer and its customers at all times (even prior to acceptance) and everywhere (even Seller's facility). Buyer may also conduct audits at Seller's production facility for the purpose of quality, cost or delivery verification.

b) **Acceptance.** Acceptance or rejection of the Products shall be made as promptly as practicable after delivery, except as otherwise provided in the Purchase Order, provided, however, failure to inspect, test and accept or reject Products shall not relieve Seller of its obligations under the Purchase Order nor impose liability on Buyer.

c) **Defective and Excess Products.** Payment shall not constitute final acceptance. Defective and excess Products may be returned at full invoice price at Seller's risk and expense and at no cost to Buyer. Seller shall pay all packing, handling, sorting, loading and transport expenses related to such returns. Seller shall not replace defective Products unless specified in writing by Buyer. Buyer may reject and return any portion of any shipment of Products under the Purchase Order that may be defective or fail to comply with applicable specifications, drawings, data, samples, descriptions, documents or Purchase Order terms without invalidating the remainder of the Purchase Order.

9) **Payment.** Buyer will pay for Products on the payment terms stated in the Purchase Order or as otherwise agreed in writing by Buyer.

10) **Changes.** Buyer may from time to time by notice to Seller make changes to the drawings, specifications, materials, packaging, testing, quantity, time or method of delivery or shipment, or similar requirements prescribed in the Purchase Order. Purchase Order changes must be in writing signed by Buyer's authorized representative. In order for Seller to request a reasonable difference in price or time for performance as a result of such a change, Seller must notify Buyer of its request in writing within ten days after receiving notice of the change. Buyer can reasonably request additional documentation from Seller relating to any change or request for price difference. After receiving all requested documentation, Buyer may, in its sole discretion, equitably adjust the price or time for performance. If Seller does not provide timely notice to Buyer that a requested change may result in a difference in price or time for performance, Buyer's requested change will not affect the price or time for performance.

11) **Termination For Convenience.**

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a) **Termination for Convenience.** In addition to any other rights of Buyer to cancel or terminate the Purchase Order, Buyer may, at its option and in its sole discretion, immediately terminate all or any part of the Purchase Order at any time and for any reason upon written notice to Seller. Upon receipt of notice of termination, and unless otherwise directed by Buyer, Seller will: (i) promptly terminate all work under the Purchase Order(s) on the effective date of termination and, in the case of a partial termination, continue to perform the portion of the Purchase Order not terminated by such notice; (ii) transfer title and deliver to Buyer the finished Products, the work in process, and the parts and materials that Seller reasonably produced or acquired according to quantities Purchase Ordered by Buyer and that conform to the requirements of the Purchase Order and that Seller cannot use in producing Products for itself or for others or otherwise return to suppliers or contractors for credit; (iii) take actions reasonably necessary to protect property in Seller's possession in which Buyer has an interest until written disposal instruction from Buyer has been received; and (iv) upon Buyer's request, cooperate with Buyer in transferring the production of Products to a different supplier.

b) **Seller's Remedy.** Upon termination by Buyer under this Section, Buyer will be obligated to pay only the following without duplication as Seller's sole and exclusive remedy: (i) the Purchase Order price for all finished Products in the quantities ordered by Buyer that conform to the Purchase Order for which Seller has not been paid; (ii) Seller's reasonable actual cost of merchantable and useable work-in-process and the parts and materials transferred to Buyer under part (a)(ii) above; and (iii) Seller's reasonable actual cost of carrying out its obligation under subsection (a)(iii) above. Notwithstanding any other provision, Buyer will have no further liability to Seller and without limiting the generality of the foregoing, Buyer will have no further liability to Seller. Buyer's obligation upon termination under this Section will not exceed the obligation Buyer would have had to Seller in the absence of termination.

c) **Seller's Termination Claim.** Seller will furnish to Buyer, within one month after the date of termination under Section 9(a), its termination claim, which will consist exclusively of the items of Buyer's obligation to Seller that are expressly permitted by this Section. Buyer may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim. Within a reasonable time after receipt of Seller's termination claim, Buyer shall pay amounts set forth therein to the extent Buyer reasonably agrees such claim accurately reflects amounts owed. If Seller fails to submit its termination claim within the applicable period, notwithstanding anything herein to the contrary, Buyer may determine the amount, if any, due to Seller with respect to the termination on the basis of information in its possession and such determination shall be final.

12) **Termination for Breach or Nonperformance.** Buyer may terminate all or any part of the Purchase Order, without liability to Seller, if Seller: (a) repudiates, breaches or threatens to breach any of the terms of the Purchase Order (including without limitation Seller's warranties and quality supplier provisions); (b) fails or threatens not to deliver Products or perform services in connection with the Purchase Order; (c) fails to make progress or to meet reasonable quality requirements so as to endanger timely and proper completion or delivery of Products and does not correct the failure or breach within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying the failure or breach; (d) enters or offers to enter into a transaction that includes a sale of a substantial portion of its assets used for the production of Products for Buyer or a merger, sale or exchange of stock or other equity interests that would result in a change in control of Seller without the prior written consent of Buyer; (e) fails to remain competitive with respect to quality, technology, delivery, service or pricing of the Products; or (f) commencement by or against Seller of any proceedings in bankruptcy or state insolvency proceedings; appointment of a receiver or trustee for Seller; assignment for the benefit of creditors; or inability of Seller to pay debts as they become due. In the event of termination under this Section 10, in whole or in part, Buyer may, in addition to any other right or remedy provided herein or by law, immediately cancel without cost to Buyer any shipment contemplated by the Purchase Order. Seller may not suspend performance of the Purchase Order or terminate the Purchase Order for any reason.

13) **Warranties.**

a) **Warranties.** In addition to any other express or implied warranties, Seller warrants that all Products covered by the Purchase Order (i) will be merchantable, free from defects in material, design and workmanship, to the extent designed by Seller or any of its contractors, agents or suppliers, even if the design has been approved by Buyer and workmanship, (ii) will conform to specifications, drawings, data, samples, descriptions and documents furnished, specified or adopted by Buyer, (iii) conform to all applicable laws, Purchase Orders, regulations and standards in countries where Products or vehicles or other products incorporating Products are to be sold and (iv) be free of all liens, claims and encumbrances whatsoever. Seller acknowledges that Seller knows of Buyer's intended use and further expressly warrants that the Products selected, designed, produced, assembled and/or delivered by Seller will be fit for such use. Seller further warrants that the Products will not infringe any patent, copyright, trademark, service mark or other intellectual property rights and that unless otherwise expressly stated in the Purchase Order, the Products are manufactured entirely with new materials.

b) **Warranty Period.** The warranty period begins the date when the Products are delivered to Buyer (or as directed by Buyer) and expires on the later of (i) the expiration of the warranty period provided by applicable law; or (ii) the expiration of the warranty period offered by Buyer or the OEM Customer to end-users for Products installed on or as part of vehicles or other products. If Buyer or any OEM Customer voluntarily or pursuant to a government mandate, makes an offer to owners of vehicles (or other finished products) on which the Products, or any parts, components or systems incorporating the Products are installed, to provide remedial action or to address a defect or condition that relates to motor vehicle safety or the failure of a vehicle to comply with any applicable law, safety standard or corrective service action ("Remedial Action"), the warranty shall continue for such period of time as may be deemed necessary by Buyer or dictated by the federal, state, local or foreign government where the Products are used or provided.

c) **Remedies.** If any Products are defective or nonconforming, in addition to all other remedies of Buyer, Seller shall at Buyer's option either credit Buyer for such Products or, at Seller's expense, replace, repair or correct such Products and deliver them to Buyer. All

warranties and guarantees herein shall run to Buyer, its successors and assigns, to their respective customers and all users of products of any such parties that contain or use the Products in any way, and such warranties and guarantees shall survive any inspection, delivery, acceptance or payment of or for the Products. Without limiting the generality of the foregoing, these warranties are intended to provide Buyer with protection from any and all warranty claims brought against Buyer by its end-users. Rights and remedies hereunder are cumulative and not alternative and do not exclude any remedies available at law or in equity. No failure or delay in exercising any right will operate as a waiver.

d) **Services.** For all services, Seller further warrants that its work will be performed in a professional and workmanlike manner, consistent with all standards and specifications agreed on with Buyer and otherwise consistent with industry standards.

e) **Buyer's Approval.** Buyer's approval of any design, drawing, material, process or specifications will not relieve Seller of these warranties.

14) **Harmful Ingredients or Defective Design.** If Seller becomes aware that any ingredient or component of the Products is or may become harmful to persons or property, or that the design or construction of the Products is defective in any manner so they may become harmful to persons or property, Seller shall immediately notify Buyer thereof, providing all relevant information.

15) **Intellectual Property.**

a) **Buyer's Intellectual Property Rights.** Buyer does not transfer to Seller any patent, trade secret, trademark, service mark, copyright, mask work, or other intellectual property or proprietary rights ("Intellectual Property Rights") of Buyer in connection with this Purchase Order. If this Purchase Order involves experimental, development or research activities, including engineering related thereto, all information developed in the course thereof shall be owned by Buyer and be deemed confidential and proprietary property of Buyer, whether patented or not, and Seller shall, and cause its employees and contractors to, cooperate in executing any documents and taking any other actions necessary or convenient to patent or otherwise perfect or protect for the benefit of Buyer any inventions conceived, developed or reduced to practice in performance of this Purchase Order. To the extent that Intellectual Property Rights include any works of authorship (including, without limitation, software) created by or on behalf of Seller, such works shall be considered "works made for hire," and to the extent that such works do not qualify as "works made for hire," Seller hereby assigns to Buyer all right, title, and interest in all copyrights and moral rights and any other Intellectual Property Rights therein.

b) **Infringement; Indemnification.** Seller agrees: (i) to defend, hold harmless and indemnify Buyer, its affiliates, successors and OEM Customers against any suit, claim or action for actual or alleged direct or contributory infringement of or inducement to infringe any Intellectual Property Rights and against any resulting damages or expenses (including attorney's and other professional fees, settlements and judgments) arising in any way in relation to Products covered by the Purchase Order (including without limitation their manufacture, purchase, use and/or sale), including such claims where Seller has provided only part of the Products, and Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specifications, (ii) to waive any claim against Buyer or its OEM Customers, including any hold-harmless or similar claim, in any way related to a third-party claim asserted against Buyer or OEM Customers for infringement of any IP Right, including claims arising out of specifications furnished by Buyer, and (iii) that if the sale or use of the Products is enjoined or, in Buyer's sole judgment, is likely to be enjoined, Seller will, at Buyer's election and Seller's sole expense: (a) secure a license of the Intellectual Property Rights that permits Seller to continue supplying the Products to Buyer, or (b) modify the Products so that they become non-infringing, so long as the modification does not materially alter the operation or performance of the Products, or (c) replace the Products with non-infringing but equivalent Products.

16) **Bailor's Property; No Disclosure.**

a) Unless otherwise agreed in writing, all tools, equipment, documents or other materials furnished to Seller, or for which Seller has been reimbursed, by Buyer, including any replacements thereof and any materials affixed or attached thereto, shall be the personal property of Buyer. Such property shall at all times be properly maintained by Seller; shall be deemed to be personally; shall be appropriately marked to establish Buyer's ownership; shall not be commingled with the property of Seller or any third party or moved from Seller's premises without Buyer's prior written approval; and shall be held at Seller's risk and expense. Seller shall, upon request by Buyer, file a financing statement as requested by Buyer in accordance with Article 9 of the UCC to secure title of such property in Buyer. Such property shall be subject to removal at Buyer's request, in which event Seller shall redeliver it in the same condition in which it was received, reasonable wear and tear excepted, all at Seller's expense. Buyer has the right to enter Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto.

b) Seller agrees not to use any designs, tools, patterns, drawings, materials or other information or equipment furnished by Buyer or any of Buyer's Intellectual Property Rights in the manufacture or design of any goods for other customers and further agrees not to use or disclose to any third party any confidential or proprietary information of Buyer. All information regarding the Products, including, but not limited to, specifications, drawings, data, samples, descriptions, documents, processes, customer lists and Intellectual Property Rights, are confidential and proprietary information of Buyer.

c) Seller shall not disclose that Buyer has contracted with Seller without Buyer's prior written consent.

d) Seller agrees not to assert any claim against Buyer or its suppliers or contractors with respect to any technical information that Seller has disclosed or may disclose to Buyer in connection with the Products covered by the Purchase Order, except to the extent expressly covered by a separate written confidentiality agreement signed by Buyer.

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17) Compliance with Laws; Ethics. Seller, including all Seller personnel, suppliers, contractors, and affiliates, and any Products supplied by Seller, are in compliance with and will comply with all applicable laws, including rules, regulations, Purchase Orders, conventions, ordinances and standards, including without limitation (i) in relation to the manufacture, labeling, transport, import, export, licensing, permitting, approval or certification of the Products, and (ii) laws relating to environmental matters, hiring, wages, hours and conditions of employment, immigration, worker documentation and permits, international prohibitions on child labor, supplier or contractor selection, discrimination, occupational health or safety, and motor vehicle safety. The Purchase Order incorporates by reference all clauses required by these laws. All materials used by Seller in the Products or in their manufacture will satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations that apply to the country of manufacture, sale or destination. Seller and its employees, suppliers and contractors will abide by the highest ethical standards. At Buyer's request, Seller shall certify Seller's and its suppliers', contractors' and affiliates' compliance with the foregoing and permit Buyer to audit its facilities for compliance with laws.

18) Indemnification.

a) To the fullest extent permitted by law and in addition to any other indemnification rights of Buyer, (i) Seller hereby assumes the entire, sole responsibility for any injury to person, including death, or damage to property of any kind or nature caused by, resulting from or in connection with the furnishing of Products by Seller, its suppliers, contractors, agents or employees; (ii) Buyer shall not be responsible for any injury to person (including death) or damage to property resulting from Seller's possession, use, misuse or failure of any Buyer's property or other property furnished to Seller by Buyer, and the use of any such property by Seller shall constitute acceptance by Seller of all responsibility for any claims for such injury or damage, and (iii) Seller will defend, indemnify and hold harmless Buyer, its dealers and users of the Products sold by Buyer (or the vehicles in which they are incorporated) and all of their respective agents, customers, invitees, subsidiaries, affiliates, successors and assigns, against all damages, losses, claims, liabilities and expenses (including reasonable attorneys' and other professional fees, settlements and judgments) arising out of or resulting from (a)(i) or (ii) or otherwise from any defective Products, or from any negligent or wrongful act or omission of Seller or Seller's agents, employees, suppliers or contractors, or any breach or failure by Seller to comply with any of Seller's representations or other terms and conditions of the Purchase Order (including any part of the Terms) including without limitation the cost of recall campaigns, Buyer field service actions or other corrective service actions that, in Buyer's reasonable judgment, are required because of nonconformities in some or all of the Products provided by Seller hereunder. Seller's obligation to defend and indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise except for claims that arise as a result of the sole negligence of Buyer. Buyer has the right to be represented by and actively participate through its own counsel in the defense and resolution of any indemnification matters, at Seller's expense. The indemnification obligations of Seller set forth in this Agreement, including this Section, are independent of and in addition to any insurance and warranty obligations of Seller.

b) If Seller performs any work on Buyer's premises or utilizes the property of Buyer, whether on or off Buyer's premises: (i) Seller will examine the premises and property to determine whether they are safe for the requested work and will advise Buyer promptly of any situation it deems to be unsafe; (ii) Seller's employees, suppliers, contractors, and agents will comply with all laws and regulations and Buyer restrictions that apply to the premises and property and may be removed from Buyer's premises at Buyer's discretion; and (iii) to the fullest extent permitted by law, Seller will indemnify and hold Buyer and its agents, successors and assigns, harmless from and against any liability, claims, demands or expenses (including reasonable attorneys' and other professional fees, settlements and judgments) for damages to the property of or personal injuries (including death) to Buyer, its employees or agents, or any other person or entity to the extent arising from or in connection with Seller's work on the premises or Seller's use of Buyer's property, except for any liability, claim or demand arising out of the sole negligence of Buyer.

19) Insurance. Seller shall maintain and provide insurance coverage for all its liability hereunder including, without limitation, workers compensation, general liability, contractual liability, public liability, property damage liability and product liability and automobile liability coverage together with such additional amounts and coverage's as may be reasonably required by Buyer, in each case naming Buyer and its affiliates (as applicable) as loss payee(s) and "additional insured(s)." Seller hereby releases Buyer and its affiliates, directors, officers and employees from losses or claims for bodily injury, property damage, or other insured claims arising out of Seller's performance hereunder, and Seller shall cause its insurers to waive their rights of subrogation against such released parties. Unless otherwise expressly stated in the Purchase Order, Seller's liability insurance policies shall have combined single limits of no less than five million U.S. dollars (\$5,000,000) per occurrence and in the aggregate, provided that such limits shall not limit Seller's liability under the Purchase Order. Seller's property insurance policies shall be written on a "replacement cost" basis. Seller's insurance shall be primary and non-contributing to any insurance maintained or obtained by Buyer or any of its affiliates. Seller's coverage will be "first dollar" coverage unless otherwise agreed by Buyer in writing. Seller will furnish to Buyer a certificate showing compliance with this requirement or certified copies of all insurance policies within 10 days of Buyer's written request. The certificate will provide that Buyer will receive 30 days prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. The existence of insurance does not release Seller of its obligations or liabilities under the Purchase Order. Seller specifically and expressly waives any immunity that may be granted it under the state industrial insurance act, provided Seller's waiver of immunity by the provisions of this paragraph extends only to claims against Seller by Buyer and/or its affiliates or as otherwise contemplated herein and does not include, or extend to, any claims by Seller's employees directly against Seller.

20) Remedies.

a) The rights and remedies reserved to Buyer in each Purchase Order will be cumulative with and in addition to all other or legal or equitable remedies. Seller will reimburse Buyer for any incidental, consequential or other damages (including lost profits) caused or

required by Seller's breach or by nonconforming Products. Buyer's damages include reasonable attorneys' fees and other professional fees, settlements and judgments incurred by Buyer and other costs associated with Buyer's administrative time, labor and materials.

b) In any action brought by Buyer to enforce Seller's obligations in connection with the production or delivery of Products or transition support, or for possession of property, Seller acknowledges and agrees that monetary damages are not a sufficient remedy for any actual, anticipatory or threatened breach of the Purchase Order and that, in addition to all other rights and remedies that Buyer may have, Buyer shall be entitled to specific performance and injunctive equitable relief as a remedy for any such breach, plus Buyer's reasonable attorneys' fees.

c) Buyer's rights and Seller's obligations under the Purchase Order shall not limit in any way Seller's common-law tort obligations or Buyer's right to sue in tort in addition, or as an alternative, to suing in contract. Seller hereby waives the right to sue in tort in respect of any matter that is addressed by the Purchase Order.

21) Claims by Seller. Any action or proceeding by Seller relating to the Purchase Order must be commenced no later than one (1) year after the breach or other event giving rise to Seller's claim occurs, or Seller becomes aware of the existence (or facts and circumstances giving rise to the existence) of such claim, whichever occurs first. IN THE EVENT OF A BREACH BY BUYER, BUYER SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS), INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, WHETHER OR NOT FORESEEABLE.

22) Set Off. In addition to any right of setoff or recoupment provided by law, Buyer is entitled to set off any amount owing at any time from Seller, or any affiliate of Seller, to Buyer or any affiliate of Buyer, against amounts payable at any time by Buyer to Seller.

23) Independent Contractor. Seller is an independent contractor. The Purchase Order does not create any other relationship, including one of employment, agency or joint venture, between the parties. Buyer is not responsible for any obligation with respect to employees or agents of Seller or its suppliers or contractors.

24) Waiver. Neither any failure nor any delay by any party hereto in exercising any right, power or privilege under the Purchase Order will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege under the Purchase Order.

25) Assignment. The Purchase Order binds and inures to the benefit of Buyer, Seller and their respective successors and permitted assigns. Seller may not assign any interest in or delegate any obligation hereunder without the prior written consent of Buyer. In the event of any approved assignment, Seller retains all responsibility for Products, including all related warranties and claims, unless otherwise expressly agreed in writing by Buyer. Buyer will have the right to assign any benefit or duty under a Purchase Order to any third party upon notice to Seller with or without consent and shall thereafter be released of such duty.

26) Governing Law; Jurisdiction. The validity, construction and performance of these Terms shall be governed by, and construed in accordance with, the laws of the State of Michigan, without regard to its choice of law provisions. The U.N. Convention on Contracts for the International Sales of Goods does not apply to these Terms and any term contained herein must be construed in accordance with the Code. Buyer irrevocably submits and agrees to the jurisdiction of the state and federal courts of the State of Michigan, County of Washtenaw in any action, suit or proceeding related to, or in connection with, any dispute between the parties.

27) Severability. If any term of the Purchase Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, the term will be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with applicable law. The remaining provisions of the Purchase Order will remain in full force and effect.

28) Survival. The obligations of Seller to Buyer survive termination of the Purchase Order, except as otherwise provided in the Purchase Order.

29) Modifications. No modification of the Purchase Order shall be binding upon Buyer unless made in writing and signed by Buyer's authorized representative.

August, 2016rv